

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS (SHERMAN)

IN RE:)
) CASE NO. 24-42950
JOSEPH ANTHONY DOWDALL,) CHAPTER 7
)
Debtor.)

TRANSCRIPTION OF AUDIO RECORDED
341 CREDITORS MEETING HELD TELEPHONICALLY

341 AUDIO 04.04.25 #1 AND #2

Durations: 45:55 and 18:42

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A P P E A R A N C E S

CHAPTER 7 TRUSTEE:

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COURT-APPOINTED RECEIVER IN A DALLAS COUNTY
DISTRICT COURT CASE JUDGMENT AGAINST
JOSEPH DOWDALL:

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ALSO PRESENT:

Mr. Joseph Anthony Dowdall, Debtor

Exhibit 1

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P R O C E E D I N G S

(341 AUDIO 04.04.25 #1)

FEMALE SPEAKER: All right. Track
No. 48, Joseph Dowdall, Case No. 24-42950.

I have Patrick Yarborough listed.
And, everybody else, if you'll please state your
names.

MR. DOWDALL: Joseph Dowdall.

MR. PRONSKE: Gerrit Pronske, attorney
for the debtor.

TRUSTEE WEISBART: All right. Mark
Weisbart, trustee.

Does anyone else want to appear in
this?

FEMALE SPEAKER: Patrick does.

TRUSTEE WEISBART: Can you state your
name, Mr. Yarborough, if you want to appear?

MR. YARBOROUGH: Sure, of course. My
name is Patrick Yarborough. I'm here on behalf of
judgment creditors, MMWKM Advisors, LLC, and Ken
Moraif.

TRUSTEE WEISBART: All right.

FEMALE SPEAKER: Dana?

MS. LIPP: Yes. Sorry. Dana Lipp. I

1 was the Court-appointed receiver in a district
2 court case against Mr. Dowdall.

3 TRUSTEE WEISBART: Okay. Are you
4 appearing at this creditors meeting?

5 MS. LIPP: Yes, I'm appearing for the
6 creditors meeting. Thank you.

7 TRUSTEE WEISBART: Mr. Dowdall, I'm
8 Mark Weisbart, the trustee.

9 MR. DOWDALL: Yes, sir.

10 TRUSTEE WEISBART: And let me swear
11 you in, if you'll raise your right hand.

12 This meeting has been continued -- or
13 excuse me. Do you swear to tell the truth?

14 MR. DOWDALL: Yes.

15 TRUSTEE WEISBART: Okay. This meeting
16 has been continued twice before, but we've
17 actually never conducted the meeting so today
18 we're going to conduct the meeting and hopefully
19 get it concluded.

20 JOSEPH ANTHONY DOWDALL,
21 having been first duly sworn, testified as
22 follows:

23 EXAMINATION

24 BY TRUSTEE WEISBART:

25 Q. Mr. Dowdall, let's see. Have you ever

1 filed bankruptcy before?

2 A. No.

3 Q. Did you review your petition, schedules
4 and statement of financial affairs before they
5 were filed?

6 A. Yes.

7 Q. Are all of your assets identified in your
8 bankruptcy schedules?

9 A. Yes.

10 Q. Are there any changes you need to make to
11 your bankruptcy schedules, your statement of
12 financial affairs or your petition -- bankruptcy
13 petition?

14 A. No.

15 Q. Okay. For the record, we have a copy of
16 your driver's license and Social Security card,
17 your '23 tax return. Have you prepared and filed
18 your '24 return?

19 A. Yes. And actually did that inadvertently
20 and didn't realize the timing of it so I actually
21 have a refund for the '24 tax return that I'm
22 going to have to account for, you know, to apply
23 towards the creditors.

24 Q. What is the amount of the refund?

25 A. It's roughly \$7,000.

1 Q. All right. And have you received it yet
2 or --

3 A. No.

4 Q. Okay. Well, you'll need to turn that
5 over when you -- when you get it.

6 A. I understand.

7 Q. All right. And do you make any domestic
8 support obligation payments such as child support?

9 A. I do not.

10 TRUSTEE WEISBART: All right. I'll go
11 ahead and turn the meeting over to your counsel,
12 Mr. Pronske.

13 EXAMINATION

14 BY MR. PRONSKE:

15 Q. Mr. Dowdall, can you briefly tell the
16 trustee the reasons that you filed bankruptcy?

17 A. Yes. So in February of 2020, I
18 voluntarily resigned from Retirement Planners of
19 America and was subsequently sued for roughly
20 \$5 million and went to arbitration and ultimately
21 had a judgment against me for, you know, roughly
22 \$3 million.

23 After attempting to negotiate with the
24 creditors for two years and not getting anywhere
25 and they began to threaten my wife, I decided that

1 the best option would be to declare bankruptcy.

2 Q. And you've heard the testimony today in
3 the other cases relating to inheritance. Do you
4 have any --

5 A. Yes.

6 Q. -- any inheritance?

7 A. None that I'm expecting.

8 Q. And you understand that if you have any
9 within 180 days after filing bankruptcy that you
10 need to turn that over to the trustee?

11 A. I understand, yes.

12 Q. That's all I've got.

13 A. Okay.

14 EXAMINATION

15 BY TRUSTEE WEISBART:

16 Q. All right. Let me just walk through your
17 schedules very quickly. How long have you lived
18 in your home in Frisco?

19 A. Since 2011.

20 Q. Does it have a mortgage on it or do you
21 own it outright?

22 A. No mortgage.

23 Q. Okay. Did it ever have a mortgage on it?

24 A. It did.

25 Q. When was the mortgage paid off?

Exhibit 1

1 A. Roughly 2017.

2 Q. Okay. You have two vehicles, a Ford
3 Explorer and a Tesla Y?

4 A. Yes.

5 Q. Okay. And are those financed?

6 A. They are not.

7 Q. And did you acquire -- when did you
8 acquire those roughly?

9 A. The Tesla was December of 2020, I
10 believe, and the Ford was August of 2020, I
11 believe.

12 Q. And did you pay cash for those?

13 A. Yes.

14 Q. Do you have any valuable heirlooms,
15 antiques, collectibles, any artwork, jewelry,
16 anything worth \$5,000 or more?

17 A. No.

18 Q. Same question as to electronics. Any
19 valuable electronics, anything worth \$5,000 or
20 more?

21 A. No.

22 Q. You scheduled your wedding ring for under
23 \$500. You actually scheduled it for a hundred.
24 Do you think that's a fair value?

25 A. I think that's, yes, conservative. No.

1 It's -- yes. I'm sorry. It's fair value. It's
2 probably worth \$50.

3 Q. All right. You scheduled one account, a
4 checking account, at Wells Fargo. Is that
5 correct?

6 A. Yes.

7 Q. Is that the only account you have?

8 A. Yes.

9 Q. And that's an account that is an account
10 in your name?

11 A. I believe it was a joint account.

12 Q. Okay.

13 A. It had my name on it.

14 Q. Okay. Do you -- well, what's the last
15 four digits of the account number on that?

16 A. I don't recall exactly, but I might have
17 the checkbook here. It was the only one. I know
18 I put it on the schedule so I'm not having much
19 luck finding the checkbook, but it was the one
20 listed on the schedule that I put on there. That
21 was the one that had my name on it.

22 Q. Okay. Hang on. Let me see if I can find
23 it real quick.

24 A. Do you show Confidential as the last four?

25 Q. I'm looking. Yes, Confidential has a joint

Exhibit 1

1 account in your name and it said Layla Ann?

2 A. Layla.

3 Q. Layla?

4 A. Yes, yes.

5 Q. All right. Okay. That's the account
6 we're referring to?

7 A. Yeah.

8 Q. Okay. All right. You have a life
9 insurance policy that has no cash for under
10 value -- oh, wait. I'm on the wrong case. Excuse
11 me.

12 All right. You have an IRA with
13 631,000. Is that correct?

14 A. Yeah. I believe that's the -- one IRA --
15 one Roth IRA.

16 Q. Okay. Have you contributed to the IRA in
17 the year prior to bankruptcy?

18 A. I don't believe so, no.

19 Q. And you show 529 plans for two children.
20 Correct?

21 A. That's correct, yes.

22 Q. Have you contributed to those within the,
23 say, two years prior to bankruptcy?

24 A. No, nothing -- maybe a couple of dollars,
25 but I don't recall contributing anything

1 significant to those in the two years prior.

2 Q. All right. You listed -- you're married.
3 Correct?

4 A. That's correct.

5 Q. Did you list all of the assets of you and
6 your wife jointly, in other words, assets that
7 you've acquired during the marriage?

8 A. Yes.

9 Q. Okay. Does she have any assets that
10 aren't listed under bankruptcy status?

11 A. Yes.

12 Q. What are those assets?

13 A. Well, she has her own bank account.

14 Q. Okay.

15 A. Clothing, jewelry, things like that. She
16 also has her own IRA account and an investment
17 account as well.

18 Q. And what account?

19 A. Investment account.

20 Q. Investment account?

21 A. Yes.

22 Q. Okay. Where is the investment account
23 at?

24 A. Charles Schwab.

25 Q. And the bank account, that's a -- that's

1 a Wells Fargo account. Right?

2 A. Yes, sir.

3 Q. And where is the IRA at?

4 A. Charles Schwab.

5 Q. Charles Schwab. Okay.

6 A. Oh, and then there's a car. I think
7 she -- she has a car as well.

8 Q. What car?

9 A. That's not one of the two cars that was
10 listed. So that was a car that we shared the
11 information with you on, the check, that was
12 purchased for my daughter.

13 Q. That check that was made --

14 A. Honda. I believe it's Honda McKinney,
15 something like that.

16 Q. That's for Bella?

17 A. Yes.

18 Q. I'm sorry. I'm going to note that. And
19 I assume she drives, right, your child for whom
20 the car was purchased?

21 A. That's correct.

22 Q. Okay. Is she in college or out of school
23 or --

24 A. She'll graduate in May.

25 Q. Okay.

1 A. From high school.

2 Q. From high school. Okay.

3 A. Yes, sir.

4 Q. Okay. And why was the car purchased?

5 A. Well, ultimately -- you know, she's very
6 involved in theater and has a lot of outside
7 school activities so she needed a car to be able
8 to get back and forth.

9 My wife has started working, you know,
10 and has some volunteer obligations as well so the
11 car allowed Bella to, you know, get back and forth
12 to theater practice, school. She also drives her
13 daughter -- drives my other daughter, her sister,
14 to church functions, things like that.

15 Q. Okay. And this was a purchase for cash.
16 Correct?

17 A. That's correct.

18 Q. Okay. There was no trade-in or anything
19 like that?

20 A. No, sir.

21 Q. Do you have a copy of the sales agreement
22 that you could provide me if I need to see it?

23 A. Yeah. I think we provided you with the
24 document. The latest email had the --

25 Q. I think it was a receipt or something

1 like that.

2 A. There's two -- there are two emails. One
3 was -- or there were two documents. One was an
4 email and one was the -- what the dealership
5 provided me like a -- it's a real weird form, but
6 it was already provided so I think that will show
7 that the -- I forget the exact term on the form,
8 but that's what I have.

9 I have the receipt and then I have the
10 other document which might be like proof of -- I
11 don't know -- title or something.

12 Q. Okay.

13 A. But, again, that was -- Layla purchased
14 that.

15 Q. All right. We -- you work at Worth Asset
16 Management. Is that correct?

17 A. Yes, sir.

18 Q. And your wife is a substitute teacher?

19 A. Yes.

20 Q. Is that still the case?

21 A. Yes.

22 Q. Okay. Does your wife have any other
23 employment or sources of income aside from her
24 substitute teaching?

25 A. No.

Exhibit 1

1 Q. Can you sue anyone to recover money or
2 property?

3 A. No.

4 Q. Do you anticipate an inheritance in the
5 next six months?

6 A. I do not.

7 Q. Your source of -- sole source of income
8 is with Worth. Is that correct?

9 A. Yes, sir.

10 Q. Do you have any other sources of income?

11 A. No, sir.

12 Q. Have you transferred, sold or given away
13 in the last two years any property of value?

14 A. No.

15 Q. And I say value. I mean, \$5,000 or more.
16 The answer is still no?

17 A. That's correct. No.

18 Q. Okay. Can you sue anyone to recover
19 money or property?

20 A. No.

21 Q. Do you have a storage unit?

22 A. Yes.

23 Q. What's maintained at the storage unit?

24 A. Stuff from when my kids were little,
25 nicknacks, some luggage, I think, a bed frame.

1 Q. Anything of extraordinary value, say
2 \$5,000 or more?

3 A. No.

4 Q. All right. You identified, as you said,
5 your wife's bank account or accounts. Did you --
6 I believe I was told that you signed a separate
7 property agreement with your wife?

8 A. That's correct.

9 Q. And is that a copy of -- can I get a copy
10 of that?

11 MR. PRONSKE: I'm going to send you a
12 copy of it this afternoon.

13 TRUSTEE WEISBART: Okay. Great.
14 Thanks.

15 Q. (BY TRUSTEE WEISBART) And when was that
16 executed?

17 A. I believe in 2022.

18 Q. And why did you execute that agreement?

19 A. You know, I was going through the lawsuit
20 and my wife just wanted to make sure that her
21 assets were identified as her assets due to the --
22 you know, due to the lawsuit. I'll just --
23 without adding too much hyperbole there. It was a
24 very challenging time. But ultimately she just,
25 like I said, wanted to make sure her assets were

1 identified.

2 Q. Okay. And so -- and I obviously will
3 look at the agreement when it's sent to me, but
4 does it essentially say, Here's your assets and
5 here's my assets and what's yours is yours and
6 mine is mine as separate property"?

7 A. I'm not a lawyer.

8 Q. Okay.

9 A. So there's a lot of legal language in
10 there, but -- I guess I would defer to Gerrit, but
11 that's my understanding.

12 Q. Okay. Well, we'll look at the document.
13 And if I have any follow-up questions, I'll work
14 with Gerrit to get answers on that.

15 MR. PRONSKE: And your
16 characterization of it is essentially correct.

17 TRUSTEE WEISBART: Okay. Thank you,
18 Gerrit.

19 Q. (BY TRUSTEE WEISBART) All right. So is
20 one of the separate assets the Wells Fargo account
21 that is in her name -- your wife's name?

22 A. Yes.

23 Q. It ends Confidential?

24 A. Yes.

25 Q. And you've provided me those account

1 statements for the last -- it looks like the last
2 two years or so, and I appreciate you providing
3 those.

4 A. You're welcome.

5 Q. It looks like your monthly income from
6 Worth Asset is deposited into those accounts and
7 has been for a while. Is that -- is that correct?

8 A. Yes, that's correct.

9 Q. And why is that? Why do those funds --
10 why are those funds being deposited into your
11 wife's account?

12 A. Well, I guess for the most part she was
13 paying, you know, the bills. So my wages, my
14 income, which I had moved into that account as a
15 result of the lawsuit and my understanding that
16 wages would be protected -- so they were moved
17 into that account to help cover the month -- the,
18 you know, family household bills.

19 Q. When did you start doing that? When did
20 you start depositing your wage checks into -- or
21 wage payments into her account -- her Wells Fargo
22 account?

23 A. I don't -- I don't remember the exact
24 date of that. It's been a while -- it had been a
25 while, but I don't recall the date, but I'm sure

1 it's in the statement.

2 Q. Was it done to avoid the judgment
3 creditor from seeking recovery out of your
4 account?

5 A. Well, yeah. I mean, my understanding was
6 that -- you know, so I took a pretty big pay cut
7 to become an employee of Worth Asset Management
8 and -- based upon the understanding that it was
9 legal for me to do so and have wages. So the hope
10 was that those wages would be protected as a
11 result of what my understanding of Texas state law
12 is.

13 Q. Okay. And you're not a signatory to this
14 account. Right?

15 A. No.

16 Q. It looks like virtually all the money
17 that goes into that account come from your wages.
18 Is that a fair characterization?

19 A. Yes.

20 Q. I asked questions about a Freedom life
21 insurance premium.

22 A. Yes.

23 Q. And it's about \$1433.79. And Gerrit
24 indicated that that is a health insurance payment?

25 A. That's correct.

1 Q. Even if it says life insurance. Okay.

2 A. Yeah. It's funny. It's a division of
3 United Health. I don't know why they call it
4 that, but that's our -- that's our monthly health
5 and -- family health insurance premium.

6 Q. Okay. And then there are monthly
7 deductions, almost weekly, it looks like, to pay a
8 Capital One credit card. Is that right?

9 A. Yes.

10 Q. Do you --

11 A. Well, yes. I'm sorry. Yes.

12 Q. Okay. Did you have any other credit
13 cards in your name or just --

14 A. As of December -- as of the date of
15 filing, no.

16 Q. Well, before the date of filing, did you
17 have any?

18 A. No, no, but after I filed, that credit
19 card has been closed and I can no longer have
20 access to it. But as of that day and the months,
21 the years before, that was the only credit card I
22 had.

23 Q. Was that the only credit card you had as
24 a household?

25 A. Yeah. My wife signed up for an American

1 Airlines credit card, you know, maybe like October
2 of last year or something for the miles, but for
3 all intent and purpose we didn't use that card.
4 She just got the bonus miles. So up through
5 filing, Capital One was every -- just about
6 99.9 percent of everything.

7 Q. Okay. And it looked like you both have
8 cards. In other words, you could use that credit
9 card to charge and she could use the credit card
10 to charge. Is that correct?

11 A. That's correct, yes.

12 Q. I asked for credit card statements and
13 you weren't able to get them all. In particular,
14 we -- the '24 statements were not -- you couldn't
15 get access to them and there were three or four
16 months in '23 that were --

17 A. Yes. So based upon your request, I
18 called Capital One and spoke with a rep there and
19 they said their policy is once the credit card is
20 turned off, for lack of a better term, they
21 wouldn't even email me old statements.

22 Their explanation was confusing to me,
23 but it had something to do with -- on the
24 statement, it would say that I was a debtor or
25 something. I don't really understand. So they

1 wouldn't give it to me.

2 The ones that I had on file were ones
3 that I believe I saved initially to provide to the
4 receiver so I still had those as old documents.

5 Q. All right. The -- in 2024, and I'll just
6 ask you from your recollection, did you -- you
7 used the credit cards, I assume, to pay your
8 household living expenses. Is that correct?

9 A. That's correct, yes.

10 Q. Did you use them for any other purpose
11 such as extraordinary purchases to make
12 improvements to your home?

13 A. No.

14 Q. Did you take family vacations on them?

15 A. We did take vacation and probably the
16 flights were purchased with the credit -- yeah. I
17 can say with certainty the flights were purchased
18 with the credit card, but it was nothing
19 extraordinary. I mean, it was just standard
20 living stuff.

21 Q. Within three months of filing bankruptcy,
22 did you use those credit cards to acquire any
23 property that you're claiming as exempt?

24 A. No.

25 Q. Okay. Have you transferred any funds or

1 assets to friends, family members or relatives
2 within a year prior to bankruptcy?

3 A. No.

4 Q. All right. So the credit card statements
5 that I don't have access to yet, I think what
6 you're telling me is for the most part they have
7 looked pretty much the same --

8 A. Yeah.

9 Q. -- as far as the credit card statements
10 that you -- that you've given me so far?

11 A. Yeah. No, it's nothing done in an
12 extraordinary manner to -- in those other months
13 other than what you saw in the activity. It would
14 be pretty consistent across the board, you know,
15 Netflix bill, you know, et cetera, groceries,
16 things like that.

17 Q. And in round figures, the balance of
18 funds in that account, the Confidential account, at the
19 time of filing was around 113,000. Is that right?

20 A. Yes, sir.

21 Q. But there was a check outstanding to
22 Gerrit's firm. Is that correct?

23 A. That's correct.

24 Q. All right.

25 TRUSTEE WEISBART: I'm going to go

1 ahead and see if anybody else has any questions.

2 I'm going to grab a couple of my notes while
3 that's going on.

4 Anybody else have any questions?

5 MR. YARBOROUGH: Yes, Trustee
6 Weisbart, I do --

7 TRUSTEE WEISBART: All right.

8 MR. YARBOROUGH: -- on behalf of
9 credit MMWKM.

10 TRUSTEE WEISBART: Go ahead.

11 MR. YARBOROUGH: Okay. Great.

12 I just sent a request to share my
13 screen just to stay organized but just to -- just
14 to make sure we're on the same page.

15 EXAMINATION

16 BY MR. YARBOROUGH:

17 Q. Mr. Dowdall, nice to see you today. To
18 confirm, in the arbitration award that was entered
19 as a judgment that we discussed earlier, were you
20 found liable for breach of fiduciary duty?

21 MR. PRONSKE: I'm going to step in and
22 I'm going to answer that question because it's a
23 legal question. And the answer to that question
24 is he was not found liable for a breach of
25 fiduciary duty while being in a -- or fraud or

1 defalcation while acting in a fiduciary capacity.

2 MR. YARBOROUGH: And I -- Trustee
3 Weisbart, I object to the legal conclusion. I'm
4 just asking for a factual answer to the question.
5 The legal characterization is something
6 Mr. Pronske is free to discuss with you offline.

7 MR. PRONSKE: I'm not going to -- I'm
8 not going to let him answer that question because
9 you're asking him a question that's a legal -- a
10 pure legal conclusion. There's nuances, as you
11 know, to these issues.

12 And the issue in bankruptcy is was he
13 acting in fraud or defalcation while acting in a
14 fiduciary capacity, and the answer to that
15 question is no.

16 MR. YARBOROUGH: Okay. Thank you,
17 Gerrit.

18 Q. (BY MR. YARBOROUGH) Just to confirm,
19 though, there was a breach of fiduciary duty. You
20 dispute the characterization as defalcation.
21 Correct?

22 MR. PRONSKE: Mr. Dowdall, if you
23 understand the nuances, you can go ahead and
24 answer that. But if you don't, I would ask you to
25 say to your understanding you do not know.

1 A. I do not know.

2 Q. (BY MR. YARBOROUGH) That's fine. Okay.

3 Well, Mr. Dowdall, this is a factual question, not
4 a matter of legal conclusions. Here in
5 Paragraph 6 of the second amended arbitration
6 award that was entered as the final judgment, it
7 finds --

8 A. I'm sorry. Before we go on, Patrick, can
9 I ask you to make sure that you do not share any
10 personal information on the screen like you had
11 done last time? So --

12 Q. You mean like the account numbers that
13 you just stated on the record?

14 A. Yeah. I think we stated the last four
15 digits of the account numbers, which, as I'm sure
16 you're aware, is not a full account number. But
17 just going forward --

18 Q. I'm happy to --

19 A. -- do not share --

20 Q. I'm happy to do that, Mr. Dowdall.

21 A. Okay. I don't want you to share any
22 personal information again.

23 Q. Okay. I won't. And, by the way, I'm not
24 going to share any personal information like
25 credit card numbers, account numbers, et cetera.

1 Okay?

2 A. Okay.

3 Q. Okay. Mr. Dowdall, in this arbitration
4 award, you were found as a factual matter to have
5 destroyed texts and other evidence. Is that
6 correct?

7 MR. PRONSKE: Again, you can show him
8 the document if -- and, you know, you don't really
9 need to ask, Patrick, because it's all in the
10 document, but show him the document if you're
11 going to ask him the question on it. Otherwise, I
12 don't think he knows the answer.

13 MR. YARBOROUGH: Okay. I have showed
14 him the document. It is shared. And that's the
15 reason why I shared it is to make sure we're all
16 working --

17 MR. PRONSKE: It cuts --

18 MR. YARBOROUGH: -- with that
19 information.

20 MR. PRONSKE: It cuts off at the
21 bottom where the \$2 million number is circled
22 so...

23 MR. YARBOROUGH: Sure.

24 Q. (BY MR. YARBOROUGH) Okay. Let me -- let
25 me make the question very easy to answer. Here in

Exhibit 1

1 Paragraph 6, you were found to be liable for -- or
2 you were found as a factual matter to have
3 destroyed texts and other evidence. Is that
4 right?

5 MR. PRONSKE: It says what it says
6 right there and so you don't need to have a
7 theater here, Patrick. It -- the document is very
8 clear and you're -- you don't need to ask him what
9 it says.

10 MR. YARBOROUGH: Mr. Weisbart, I ask
11 for you to instruct Mr. Pronske not to make
12 speaking objections anymore.

13 MR. PRONSKE: This isn't court,
14 Patrick.

15 MR. YARBOROUGH: This is
16 Mr. Weisbart's --

17 TRUSTEE WEISBART: Yeah.

18 MR. YARBOROUGH: He's in charge of it.

19 TRUSTEE WEISBART: It is in court
20 and -- I mean, Gerrit, just state your objection
21 as succinctly as you can and we'll go from there.

22 MR. YARBOROUGH: Okay. Can he answer
23 so we can move on, Mr. Pronske?

24 MR. PRONSKE: The answer is -- I
25 object. You're asking him -- it just says what it

1 says.

2 MR. YARBOROUGH: Okay. Mr. Pronske,
3 this is on the record. This is going to be seen
4 by the Court. I ask that you make your objection
5 and allow Mr. Dowdall to answer because there's no
6 judge here to sustain your objection.

7 MR. PRONSKE: Restate --

8 MR. YARBOROUGH: Make it for the
9 record.

10 MR. PRONSKE: Restate your question.

11 MR. YARBOROUGH: Okay. Thank you.

12 Q. (BY MR. YARBOROUGH) Mr. Dowdall, you
13 were found to have destroyed texts and other
14 evidence in the arbitration case. Correct?

15 A. That's what I'm reading on the screen.

16 Q. Okay. And it's true that you actually
17 admitted in that proceeding that you destroyed
18 texts and other evidence. Correct?

19 A. My -- the way I remember that and the
20 actuality is that the text messages that I deleted
21 were deleted prior to the litigation so I don't
22 agree with that.

23 Q. Okay. But -- I understand. Thanks for
24 that clarification. So, Mr. Dowdall --

25 A. You're welcome.

1 Q. -- you did delete them. You admit that.
2 Right?

3 A. Yeah. I believe -- yes, I deleted text
4 messages, yes.

5 Q. That's right. Okay. Just a yes or no
6 answer is fine. Okay. Even though you dispute
7 that you are aware litigation could reasonably be
8 anticipated, the arbitration panel nevertheless
9 did make that conclusion. Right?

10 MR. PRONSKE: Same objection. It says
11 what it says in No. 6.

12 Q. (BY MR. YARBOROUGH) Okay. Go ahead,
13 Mr. Dowdall. That is what it says in No. 6.
14 Right?

15 A. That's what I read on No. 6.

16 Q. Okay. Good. Okay. And just to be
17 clear, you were held liable for breaching your
18 duty not to take client accounts from RPOA, also
19 known as MMWKM Advisors, LLC, without paying for
20 them. Right?

21 MR. PRONSKE: That's not --

22 A. Yeah. That's not accurate.

23 MR. PRONSKE: I'm going to instruct
24 you --

25 MR. YARBOROUGH: Mr. Pronske, you

1 weren't there. You obviously don't see the
2 document in front of us which says exactly what
3 I'm saying or else I wouldn't be putting it in
4 front of you.

5 MR. PRONSKE: There's nothing about
6 accounts.

7 Q. (BY MR. YARBOROUGH) Okay.

8 Mr. Dowdall --

9 A. Where it says accounts --

10 MR. PRONSKE: Yeah. And I --

11 Mr. Yarborough, you --

12 Q. (BY MR. YARBOROUGH) I need --

13 Mr. Dowdall, I'm going to ask you very simple
14 questions and you don't need to worry about the
15 conclusions because your counsel is very capable,
16 but I need to -- answer questions and get them
17 answered and move on. Okay?

18 MR. PRONSKE: Yeah.

19 MR. YARBOROUGH: Mr. Pronske, I
20 appreciate your objections. Just state your
21 objection and allow the witness to answer.
22 There's no judge to sustain your objection.

23 MR. PRONSKE: I'm going to make a
24 short objection here. I object to these questions
25 where you're telling him that things are in the

1 document that they're not, like accounts, and
2 you're trying to get some admissions from him, and
3 I'm going to tell Mr. Dowdall to answer these
4 questions I don't know or I don't understand
5 unless you have a full understanding of it because
6 this is an attempt to try to trick you.

7 MR. YARBOROUGH: No, it's not,
8 Mr. Pronske. And, by the way, admitting or
9 denying things is exactly what testimony is for.
10 It's on the record.

11 TRUSTEE WEISBART: Mr. Yarborough,
12 just go ahead and ask your questions. We can't be
13 here all day.

14 MR. YARBOROUGH: I understand. But
15 Mr. Pronske's -- I need your support here in the
16 proper nature of Mr. Pronske's objections.

17 TRUSTEE WEISBART: Okay. Go ahead.
18 Please ask your questions.

19 MR. YARBOROUGH: Okay. Thank you.

20 Q. (BY MR. YARBOROUGH) Okay. Just to be
21 clear, Mr. Dowdall, I'm going to ask you a very
22 simple factual question. You did not pay any sum
23 of money for the accounts that you took from RPOA
24 that led to the arbitration. Correct?

25 MR. PRONSKE: Same objection. It's

1 calling for a legal conclusion about accounts and
2 that's not in the document and same instruction to
3 the witness.

4 Q. (BY MR. YARBOROUGH) Mr. Dowdall, did you
5 pay anything to RPOA for the client accounts that
6 you received after leaving?

7 A. I don't understand.

8 Q. Did you pay anything to RPOA after you
9 left?

10 A. I have issue with you saying that I took
11 accounts. I'd like to see in the award where it
12 says anything about taking accounts.

13 MR. YARBOROUGH: Objection.
14 Nonresponsive.

15 Q. (BY MR. YARBOROUGH) Mr. Dowdall, I'm
16 asking you a factual question. It has nothing to
17 do with the award. Did you ever pay RPOA --

18 A. Patrick, the basis of your question is
19 you said that I was found to have taken accounts.

20 MR. YARBOROUGH: Objection.
21 Nonresponsive.

22 A. I'm answering that question.

23 Q. (BY MR. YARBOROUGH) I'm asking a
24 different question. If someone makes an
25 objection, I'm allowed to ask a different question

1 which is simpler and doesn't contain the preamble.

2 Understood?

3 A. No. What do you mean by preamble?

4 Q. Okay. Mr. Dowdall, I'm asking you, have
5 you ever paid RPOA anything since you left?

6 A. I left in February of 2021 so it's been
7 over four years. Not to my recollection.

8 Q. Okay. Mr. Dowdall, I'm --

9 A. Yes.

10 Q. -- showing you now what has been -- what
11 your attorney, Mr. Pronske, here today sent us as
12 your revised employment agreement on April 23rd,
13 2024. Do you see that?

14 A. I do see that.

15 Q. Okay. So --

16 A. Well, I see that but -- I'm sorry. I
17 don't see the revised agreement. I see an email
18 that says "attached."

19 Q. Right. And the revised agreement is on
20 the second page. I'm just walking us through for
21 people who haven't seen it yet. This is it.
22 Right?

23 A. Well, I haven't read the whole document,
24 but it looks familiar.

25 Q. Okay. This is the same document that you

1 confirmed was authentic in your deposition on
2 November 6th. Mr. Dowdall, in this agreement --

3 A. Yes.

4 Q. This -- so just to confirm, this is
5 really sign posting. This is to help you
6 remember. This is the agreement -- the investment
7 advisor employment agreement that you first
8 entered to take the pay cut you told Mr. Weisbart
9 about. Correct?

10 A. I'm not entirely comfortable answering
11 because I don't know the full agreement that
12 you're referencing here.

13 Q. Okay.

14 A. I don't see the entire thing. I don't
15 see my signatures on there.

16 Q. Okay.

17 A. Patrick, I'm trying to do the best I can.
18 I know you want to -- you and your --

19 Q. I'm just trying to do my job,
20 Mr. Dowdall. We just --

21 A. Well --

22 Q. Here's your signature.

23 A. -- you're talking about your doing your
24 job, yes.

25 Q. Yes. I'm just doing my job here. Okay.

Exhibit 1

1 Your job is just to answer a question. This is
2 the agreement that you signed in connection with
3 the pay cut that you told the trustee about to
4 change your pay to wages that you consider exempt.
5 Correct?

6 A. That's my recollection, but it's been a
7 little while.

8 Q. Okay. That's all I need. Okay? I just
9 need a straightforward answer.

10 Okay. So here we go. Here in this
11 agreement that your attorney provided to us that
12 you've confirmed the authenticity under oath
13 before, it says here under salaries, fee and lien,
14 that employer agrees to pay IAE -- that's you -- a
15 salary on a pro rata monthly basis based on an
16 annual salary of 350,000. That is the amount of
17 your annual salary from that point until today.
18 Correct?

19 A. That was the agreement that I had signed.
20 And, again, I'm not able to look over this entire
21 agreement to validate its authenticity.

22 Q. Okay.

23 A. But when I signed --

24 Q. This established your salary of --

25 A. Patrick, can I --

1 Q. -- 350,000. Right?

2 A. -- speak, please? Thank you.

3 When I signed the agreement, yes, the
4 agreement was to have a salary of \$350,000 paid
5 monthly.

6 Q. Okay. Prior to that, you didn't have a
7 salary agreement of \$350,000. Correct?

8 A. That's correct.

9 Q. Okay. Prior to that, you were paid fees
10 based on the amount of fees received by WAM for
11 your accounts. Correct?

12 A. It was a calculation. And I'd have to go
13 back and review the calculation, but that's the
14 broad sense of my understanding, yes.

15 Q. Okay. So before you had -- you had fees
16 that were paid according to a formula agreed on by
17 the parties. And from this point forward, you had
18 a salary of 350,000. Is that right?

19 A. Yes.

20 Q. Okay. So now it says here -- where I
21 highlighted, it says, "All indebtedness of IAE to
22 employer shall be considered a prior lien against
23 the book of business to IAE."

24 At this point where you signed this,
25 the book of business was referred to as your book

1 of business. Right?

2 A. I'm sorry? Can you repeat the question?

3 Q. You owned a book of business that your
4 employer, WAM, could have a prior lien against
5 when you signed this agreement. Right?

6 MR. PRONSKE: I'm going to object to
7 the question asking him for a legal conclusion --

8 A. No. That's --

9 MR. PRONSKE: -- of what he knows and
10 only -- the witness should only answer if you
11 understand the nuances of the legal issues.

12 A. I don't understand. There's way too much
13 legal in there for me to -- as a layman to
14 understand to answer your question intelligently.

15 Q. (BY MR. YARBOROUGH) Okay. Did you
16 prepare this agreement or did WAM prepare this
17 agreement?

18 A. I can't speak -- I can speak to that I
19 did -- I did not prepare the agreement. I don't
20 know who did.

21 Q. Okay. So did you hire an attorney to do
22 this? I'm not asking what you talked about with
23 your attorney. I'm just asking who provided this
24 agreement to whom. Okay. Did you present this to
25 WAM?

1 A. I'm pretty sure I just answered that
2 question.

3 Q. Okay. My question is, did WAM present
4 this to you or the other way around?

5 A. It was presented to me.

6 Q. Okay. So this is WAM's agreement.

7 A. I can't speak to what WAM does. I can
8 only speak to the question of whether or not it
9 was presented to me.

10 Q. All right. That's fine. Okay. So just
11 to make clear, your attorney, Mr. Pronske, we've
12 also pretty -- you know, gone over this in your
13 deposition -- on May 3rd, 2024, provide --
14 provided us a revised employment agreement between
15 Joseph Dowdall and Worth Asset Management. Right?

16 A. I see an email here that says that
17 something was attached.

18 Q. Okay. But your lawyer would never send
19 me something that wasn't authentic. Right?

20 A. I don't know how to answer that question.

21 Q. He wouldn't. I know your lawyer. He's a
22 good person. He wouldn't do that.

23 Okay. So with that behind us, this is
24 an agreement with the same start date as the last
25 one, right, April 1st, 2024?

1 And I'm just going to show that to you
2 so everybody's working from the same information.
3 They have the names --

4 A. I see the two documents. You've
5 highlighted the same date.

6 Q. Okay. So they -- they're effective the
7 same date, right, based on that?

8 A. Again, I'm hesitant to answer questions
9 because the legal language within the document is
10 beyond my understanding or may be beyond my
11 understanding, but I do see the same date is
12 highlighted.

13 Q. Okay. So in the revised agreement, the
14 date wasn't changed. Right?

15 A. I see the same date is highlighted in
16 both documents.

17 Q. Yes or no would be fine, but obviously
18 you agree this is the correct document so we don't
19 need to dwell on that. Okay. Here it says --

20 A. I said I didn't agree to, but okay.

21 Q. Excuse me?

22 A. I don't believe -- I don't recall
23 agreeing to the statement you just said that I --

24 Q. Anyway, you --

25 A. -- agreed to.

1 Q. You produced -- your lawyer produced us
2 authentic versions of your employment agreement.
3 That's not in dispute so we don't need to ask you
4 that part.

5 A. Okay. Thank you.

6 Q. Okay. Here it says, under salary, fees
7 and lien, on Page 7 -- or it's numbered Page 6,
8 and we went over in the prior version. Here,
9 instead of saying, as it did in the prior version,
10 book of business, it says "WAM accounts serviced
11 by IAE." You see that?

12 A. I can see the part that you've
13 underlined, yes.

14 Q. Okay. So it changed from book of
15 business of IAE to WAM's accounts serviced by IAE.
16 Right?

17 A. I can see that, yes.

18 Q. Okay. Now, Mr. Dowdall, between the time
19 you executed the first contract provided to you by
20 WAM and this contract, you never signed an
21 agreement assigning the book of business
22 referenced in the first contract to WAM, did you?

23 A. I don't remember.

24 Q. Okay. But if you did, WAM would have it.
25 Right?

1 A. Again, I can't speak to what WAM does or
2 does not have. I don't know what they have.

3 Q. Okay. So which of these two do you agree
4 with? Do you think these are WAM accounts now or
5 do you think that they're your accounts?

6 MR. PRONSKE: I'm going to (audio cuts
7 out) the legal conclusion of -- when you say his
8 or their, that implies ownership, and that's a
9 legal conclusion.

10 Q. (BY MR. YARBOROUGH) Okay. But just as a
11 factual matter, if you left, would WAM keep these
12 accounts?

13 A. Again, I think I'd have to rely on the
14 complexity of that question and the legal
15 requirements that are required to answer that
16 intelligently and right now I don't know.

17 Q. Okay. But just to make it very clear, if
18 you retired, would you be entitled to any money
19 for those accounts from WAM?

20 MR. PRONSKE: If you know.

21 A. Yeah. I don't know.

22 Q. (BY MR. YARBOROUGH) Maybe not. Here's
23 another document that we reviewed at your
24 deposition.

25 And can you confirm for this

1 proceeding that Worth Asset Management's ledger
2 for payments made to you with the account number
3 redacted by your request --

4 A. Thank you.

5 Q. Do you have any -- do you have any reason
6 to dispute the amounts that Worth Asset Management
7 says that it paid?

8 A. I don't have any reason to dispute or
9 validate.

10 Q. Same question except for the transactions
11 to LJ Dowdall Financial, LLC. This was provided
12 by Worth Asset Management. You've seen this
13 before.

14 You don't have any reason to dispute
15 any of the amounts paid to LJ Dowdall Financial,
16 do you?

17 A. Again, I don't know. Yeah, I don't know.

18 Q. So the answer is the same. No reason to
19 dispute?

20 A. No. The answer is I don't know.

21 Q. Okay. But you don't -- you don't -- you
22 can't tell me it's wrong. Right?

23 A. Yeah. I think implied in I don't know is
24 I can't confirm it's right or wrong.

25 Q. Understood. Okay. And this is a

1 check -- and, by the way, it's redacted. Is that
2 suggestion --

3 A. Thank you. Yeah, I appreciate you not
4 sharing personal bank account information for my
5 wife.

6 Q. Well, this is a pass -- this is a
7 password protected meeting, but I -- but I take
8 seriously your -- you know, your request, and of
9 course I'll go along with it.

10 Okay. So, Mr. Dowdall, here you send
11 an email on April 17th, 2024, to Jim Clark
12 attaching a voided check for paying your salary
13 pursuant to your new agreement from April 2024.
14 Right?

15 A. That's what I see on the screen.

16 Q. Okay. And here is the -- here is the
17 attached check that the funds for your salary have
18 been paid to you ever since it was provided to
19 Worth. Right?

20 A. I believe so.

21 Q. Okay. So here, as you sit here today
22 under oath, you can confirm that you have not
23 changed what account your salary is paid into at
24 Wells Fargo Bank. Correct?

25 A. Yeah. I don't know. I am unsure.

1 Q. Okay. But nevertheless these monies have
2 been paid since they started -- since they became
3 salary to an account owned by your wife, Layla
4 Dowdall, as a separate property account. Correct?

5 A. Yes.

6 Q. Did you answer?

7 A. I did.

8 Q. Okay. You said yes?

9 A. Well, again, it's, you know, a lot of
10 time period here, but my recollection is that
11 that's how they were paid. Okay.

12 TRUSTEE WEISBART: Let me interrupt
13 here a second. I've got four meetings that
14 started -- that were supposed to start at
15 1:00 o'clock. It's almost 1:40. What I would
16 like to do is adjourn this until -- for about 20
17 minutes and take it -- and take it up again at
18 2:00.

19 Is that a problem with anyone?

20 MR. YARBOROUGH: No. You're -- no.
21 That's fine, Mr. Trustee.

22 TRUSTEE WEISBART: Okay. And how much
23 questioning do you think you have, Mr. Yarborough?

24 MR. YARBOROUGH: Really I could
25 probably finish in the next three minutes. I'm

1 happy to do it in 20 minutes.

2 MS. LIPP: Yeah. And I may have a
3 couple of questions following Mr. Yarborough.

4 TRUSTEE WEISBART: Well, let me take
5 up these other meetings because I -- my experience
6 is a couple of questions can go for about
7 15 minutes or so. So let me -- let me adjourn
8 this.

9 Tara, are you on the line?

10 FEMALE SPEAKER: Yes.

11 TRUSTEE WEISBART: Okay. We'll --

12 MR. YARBOROUGH: How do we do this?
13 Do we just -- do we just come off the screen and
14 then come back on?

15 TRUSTEE WEISBART: You can stay on the
16 screen and just mute and, you know, strike your
17 video or whatever to mute it, and your audio.

18 And then I'll just -- we'll just
19 recall it at 2:00 o'clock or when I finish up with
20 these other meetings. It shouldn't take long but
21 it won't be before 2:00. Okay.

22 MR. YARBOROUGH: Okay. Thanks.

23 MS. LIPP: Thank you.
24
25

1 (341 AUDIO 04.04.25 #2)

2 FEMALE SPEAKER: All right. We're
3 back on record, Track No. 53, for Dowdall --
4 Joseph Dowdall, Case No. 24-42950.

5 State your names, please.

6 I'm sorry. I guess we've already done
7 that.

8 TRUSTEE WEISBART: All right. We're
9 back on the record. We adjourned for several
10 minutes to allow me to conclude my afternoon
11 docket.

12 Mr. Dowdall, you understand you're
13 still under oath?

14 MR. DOWDALL: I do.

15 TRUSTEE WEISBART: All right.
16 Mr. Yarborough, you were in the middle of your
17 questioning.

18 MR. YARBOROUGH: Sure.

19 Q. (BY MR. YARBOROUGH) Okay. So,
20 Mr. Dowdall, moving on to the tax return that you
21 just filed, that was for your 2024 income.
22 Correct?

23 A. (Audio cuts out).

24 Q. And what was your taxable income for
25 2024, roughly?

1 A. I don't remember.

2 Q. What was it, approximately? 350-ish?

3 A. Don't recall.

4 Q. Okay. But have you -- are you going to
5 produce that to the trustee?

6 A. I think I'll provide whatever
7 Mr. Weisbart asks for so...

8 Q. Okay. But you haven't yet. Right?

9 A. I've given so many documents I don't even
10 recall. I mean, the number of documents that I've
11 been required to provide, it's a lot so I can't
12 speak intelligently to whether or not I've given
13 it. It's just been too many.

14 Q. Understood. Okay. Have you produced
15 monthly bank statements from the account where
16 your WAM salary is paid to the trustee?

17 A. Same answer. I don't recall all the
18 documents. I know I gave bank statements, but I
19 don't remember exactly which ones.

20 Q. Okay. Is it true that before you took
21 the pay cut to be on a salary that you were not
22 paid a salary?

23 A. That's my recollection.

24 Q. And just to return to the book of
25 business momentarily here, you don't have any

1 documentation of a transfer of the book of
2 business that you provided to the trustee. Right?

3 A. Yeah. As I've said, I've provided so
4 many documents I don't recall exactly which ones
5 I've provided.

6 Q. Okay. And I have one more document to
7 show you. And if I may share my screen.

8 Okay. So this is the worksheet that
9 we prepared for the amounts paid to LJ Dowdall
10 Financial and to you via either cashier's check
11 for via -- I think it was -- yeah, it was to
12 LJ Dowdall Financial, to you via cashier's checks
13 and to Layla Dowdall via auto pay.

14 Do you have any reason to dispute the
15 numbers in this table?

16 A. I think based upon your inaccuracy with
17 previous statements, I'm hesitant to say anything
18 is accurate, so I'll say I don't know.

19 Q. What have I been -- what have I said that
20 was inaccurate, sir?

21 A. Well, you said that -- I mean, you said
22 that I took accounts, which never actually
23 happened. Ms. Lipp lied in court and said that I
24 took accounts, which actually never happened. So
25 that comes to mind off the top of my head but --

1 so because of that --

2 MS. LIPP: Mr. Dowdall, I don't agree
3 with what you're saying about me.

4 MR. DOWDALL: I'm sorry. Can I
5 answer?

6 MS. LIPP: I'm making that comment for
7 the record.

8 MR. DOWDALL: Okay.

9 A. So be --

10 Q. (BY MR. YARBOROUGH) So, Mr. Dowdall, you
11 didn't come up with anything that I said. You
12 disagree that you took accounts. Obviously that's
13 a characterization that we believe is true
14 legally, and that's a matter for the bankruptcy
15 judge to decide.

16 Okay. So just to be clear, your
17 salary has not changed since it was established
18 under the contract that your lawyer produced to me
19 in April and May of 2024. Correct?

20 A. I don't recall.

21 Q. Okay. All right. So I want to return to
22 the separate property agreement. You never
23 produced the separate property agreement to the
24 receiver in the underlying court case. Correct?

25 MR. PRONSKE: It was never requested

1 by either of you, ever.

2 Q. (BY MR. YARBOROUGH) I'm asking, did you
3 produce it or not, Mr. Dowdall?

4 A. You know, I hate to keep saying this, but
5 I've provided so many documents I don't recall
6 everything at this moment exactly what was or was
7 not provided. I'm pretty sure that everything
8 that was requested was provided.

9 Q. Okay. So you haven't produced that
10 document to the trustee either, have you?

11 A. The way you're asking that question is
12 insinuating that I did not provide it to the
13 receiver, but what I'm saying is that I don't
14 recall everything that was provided, but I did try
15 very hard to make sure that everything that was
16 requested was provided.

17 Q. Okay. But you would agree with me,
18 Mr. Dowdall, that it's relevant to what your
19 collectible funds would be whether you had a
20 separate property agreement that would cover the
21 pay you got from WAM. Right?

22 MR. PRONSKE: Object to --

23 A. Yeah. That's legal for me. I don't know
24 how to answer that.

25 Q. (BY MR. YARBOROUGH) Okay. Let me -- let

1 me -- let me just break it down because it doesn't
2 have to be a legal question. It could just be a
3 factual one.

4 So the monthly statements of Layla
5 Dowdall's separate bank accounts under the
6 separate property agreement would show how much
7 she received from WAM. Correct?

8 A. I (audio cuts out).

9 Q. And --

10 MR. PRONSKE: I didn't hear the
11 answer. I just -- it just got blurred out.

12 MR. DOWDALL: I'm sorry. The answer
13 was I don't know.

14 MR. PRONSKE: Okay. Sorry.

15 Q. (BY MR. YARBOROUGH) Okay. So as you sit
16 here today, can you tell the trustee and the
17 creditors present here today whether the separate
18 property agreement addresses the transfer of your
19 income from WAM?

20 A. I don't know.

21 Q. Okay. And can you confirm here on the
22 record that you still have a copy of the separate
23 property agreement?

24 A. Yeah. I can't confirm because I'm not
25 exactly sure if I do or don't.

1 Q. Okay. But if you don't, Mrs. Dowdall
2 would. Right?

3 A. I can't speak on behalf of what
4 Mrs. Dowdall has. I don't know.

5 MR. YARBOROUGH: I'll pass the
6 witness.

7 TRUSTEE WEISBART: Ms. Lipp?

8 MR. DOWDALL: You're muted.

9 MS. LIPP: Sorry about that. I
10 apologize. Sorry. Thank you.

11 EXAMINATION

12 BY MS. LIPP:

13 Q. Good afternoon, Mr. Dowdall. I just have
14 a couple of questions for you. Your schedule
15 lists Dowdall Financial, LLC. I also notice that
16 there was another entity, LJ Dowdall Financial, on
17 your 2022 and 2023 tax returns.

18 What does that business -- what is
19 that LLC and what business does it conduct?

20 A. You've referenced two LLC's. Can you
21 specify which one you're talking about?

22 Q. Yes. There's an entity called LJ Dowdall
23 Financial, LLC. It is -- it receives -- your 2022
24 and 2023 tax returns reflect it receiving income.
25 What does LJ Dowdall Financial do? What business

1 does it conduct?

2 A. Yeah. I'd have to go back. I believe
3 Layla Dowdall is the owner of that so I'm not sure
4 if I have the documentation, but I'd have to go
5 back and look at the documentation for -- to see
6 exactly what its purpose was or is.

7 Q. And where would the income have come
8 from?

9 A. Again, I'd have to go back and take a
10 look or ask Mrs. Dowdall. I'm not -- you know,
11 that's -- I believe she's the owner of that LLC.

12 Q. It reports business income of over -- of
13 113,000 after expenses on the Schedule C. So it
14 is a significant amount of money that is reported.

15 MR. PRONSKE: Your question?

16 MS. LIPP: Yes.

17 Q. (BY MS. LIPP) Does that company have any
18 employees?

19 A. Again, I would have to do some -- I mean,
20 I don't know how you -- I don't know if I can
21 answer that question.

22 Q. Have you ever provided any income or sent
23 any checks or provided any financial -- any wages,
24 any income to that entity?

25 A. I don't remember.

1 Q. Okay. Where does Ms. Dowdall deposit any
2 pay she receives from her substitute teacher work?
3 Where does she deposit that money?

4 A. I don't know.

5 Q. What is the purpose of Dowdall Financial,
6 LLC?

7 A. That's no longer in existence. I don't
8 recall the initial purpose. I think -- yeah. I
9 apologize. I don't -- I'm pretty sure that's no
10 longer in existence, but I don't recall the
11 initial purpose of what it -- what it was created
12 for.

13 Q. Has WAM ever made payments to LJ Dowdall
14 Financial or Dowdall Financial, LLC?

15 A. I don't know if I can recall.

16 MS. LIPP: Thank you.

17 EXAMINATION

18 BY TRUSTEE WEISBART:

19 Q. I'm looking at the 2023 return that you
20 filed. I guess it's a joint return. And there is
21 an LJ Dowdall Financial, LLC. Who owns that
22 entity, Mr. Dowdall?

23 A. Layla Dowdall, my wife.

24 Q. And you're saying you don't know what it
25 does or what it did?

1 A. Yeah. I don't recall. I mean, it was
2 something that was created some time ago, but I
3 don't know what it does now.

4 Q. Okay. Then it -- I guess it received K-1
5 income of 113,000 in 2023. Is that right? It's a
6 joint return. You've --

7 A. Yeah, I mean, if the tax return says
8 that, then I guess, but I'm not -- I don't
9 remember the detail.

10 Q. Do you -- do you know where that income
11 came from?

12 A. My first impulse would be to say from,
13 you know, my employ, but I can't say definitively.

14 Q. You've testified that your wife is a
15 substitute teacher and has no other employment.
16 Is that correct?

17 A. Yeah. Well, currently she's a substitute
18 teacher. She did work as an organizer for -- you
19 know, here and there over the last couple of
20 years. She no longer does that.

21 Q. Okay. What do you mean by organizer?
22 Just a --

23 A. Like, you know, she would -- she was -- I
24 don't think she was an employee. She was maybe a
25 1099 or whatnot, but she would go into people's

1 houses with a company and, you know, spend a
2 couple of days reorganizing, unpacking, you know,
3 things like that.

4 Q. Well, I could certainly use that.

5 A. Hey, it's a great company. And she's
6 really, really good at it.

7 Q. So -- but that's -- she got paid for
8 that?

9 A. She did, but she doesn't do -- like I
10 said earlier, she doesn't do that any longer.

11 Q. Right, I understand. But I'm asking
12 about within the year prior to the bankruptcy.

13 A. She was doing that within a year prior.
14 Forgive me. I don't remember the exact dates.

15 Q. Okay.

16 A. My first impulse would be, yeah, she was
17 doing that during that time.

18 Q. Did she do that through LJ Dowdall
19 Financial, LLC?

20 A. I'd have to double-check with her, but I
21 don't believe so.

22 Q. Okay. And did she do it -- I guess
23 there's another entity, Dowdall Financial, LLC?

24 A. Well, that's no longer -- that's been
25 dissolved.

1 Q. So the only entity between you and her is
2 LJ Dowdall. Right?

3 A. Well, she's the owner so -- but yes. I'm
4 sorry. Between the two of us, yeah, that's the
5 only one that I'm aware of.

6 Q. Okay. So her income as an organizer
7 would appear somewhere else on the tax return if
8 she -- if she did work in 2023. Correct? It
9 wouldn't --

10 A. Yes.

11 Q. It wouldn't appear in -- under the --
12 LJ Dowdall's I guess it's the Schedule C or
13 whatever?

14 A. I don't believe so.

15 Q. Okay. I'm just trying -- I'm just trying
16 to make sure I understand everything. All right.

17 TRUSTEE WEISBART: I will need the '24
18 return, Gerrit, if you can provide that to me at
19 your convenience.

20 MR. PRONSKE: Right.

21 TRUSTEE WEISBART: And then for the
22 record, Mr. Yarborough, Mr. Dowdall has provided
23 me copies of the tax returns I've requested or
24 just -- not tax returns. Bank statements, various
25 payroll production of bank statements for the two

1 years prior to the filing of the bankruptcy cases,
2 what I've requested. And --

3 MR. DOWDALL: And if I could just --

4 TRUSTEE WEISBART: Yeah.

5 MR. DOWDALL: And I'm sorry to
6 interrupt. It seems like an opportunity for me
7 just to thank you for your time, Mr. Weisbart. I
8 know this is -- you know, you're very busy, but
9 I'm hoping that we can get this resolved.

10 The emotional toll that this has had
11 on my family and myself has been really
12 challenging. So anything I can do to move this
13 along I'm happy to do so.

14 TRUSTEE WEISBART: Oh, I appreciate
15 that. And, you know, we want to -- I want to move
16 it along, too.

17 MS. LIPP: Mr. Weisbart, I just have
18 one more question about that LJ Dow --
19 LJ financial before we move on.

20 TRUSTEE WEISBART: Go ahead.

21 EXAMINATION

22 BY MS. LIPP:

23 Q. I noticed also that although there's the
24 113 for the K-1, it reports income of 393,000. So
25 I would be -- I don't think that's -- I would be

1 curious where that amount came from.

2 TRUSTEE WEISBART: Do you know the
3 answer to that question?

4 A. What's the date you're referencing?

5 Q. (BY MS. LIPP) It's from your 2023 tax
6 return.

7 A. Well, prior to -- I don't know the exact
8 answer, but prior to becoming an employee, you
9 know, there were changes in my pay structure or
10 there was a different pay structure so it may be a
11 result of something like that.

12 TRUSTEE WEISBART: So it's possible
13 that your income went through LJ Dowdall, LL --
14 Financial, LLC? Is that -- is that possible?

15 MR. DOWDALL: I don't -- I don't
16 recall.

17 Q. (BY MS. LIPP) And in 2022, on the tax
18 return, there are legal and professional fees for
19 LJ Dowdall Financial, LLC, for \$273,000. Do you
20 know what that relates to?

21 A. I don't.

22 Q. And income of \$393,982 in that year.

23 TRUSTEE WEISBART: All right.

24 MR. YARBOROUGH: I have one more
25 question --

Exhibit 1

1 TRUSTEE WEISBART: Okay.

2 MR. YARBOROUGH: -- Mr. Trustee.

3 TRUSTEE WEISBART: Go ahead.

4 EXAMINATION

5 BY MR. YARBOROUGH:

6 Q. So, Mr. Dowdall, just to confirm, your
7 wages do not contain deductions for Worth Asset
8 Management's legal fees, do they?

9 A. I'm not sure. I guess I'd have to look
10 into that. I don't know why -- I don't know.

11 Q. Okay. But before -- before you were
12 earning a salary, they were deducting legal fees
13 as they had to respond to subpoenas and other
14 matters relating to your employment. Is that
15 right?

16 A. I don't know.

17 MR. YARBOROUGH: All right. I'll pass
18 the witness.

19 EXAMINATION

20 BY TRUSTEE WEISBART:

21 Q. So the separate property that you
22 mentioned earlier, does that include the vehicle
23 that was purchased for the -- for your daughter,
24 the separate -- this is your wife's separate
25 property. Is that included in that?

Exhibit 1

1 A. On the schedules that I provided?

2 Q. No. Just -- do you know if the vehicle
3 that was purchased for your daughter, is that
4 considered community property or your wife's
5 separate property? Is it subject to the separate
6 property agreement, I guess, is what I'm asking?

7 A. I'm not entirely sure. Based on the
8 timing I would -- because the separate property
9 agreement was -- yeah. I don't know. I'm sorry.

10 Q. Okay. And then does she have any
11 valuable personal property, jewelry, heirlooms,
12 antiques, collectibles that would be considered
13 subject to the separate property agreement?

14 A. Not that I'm aware of.

15 Q. Okay.

16 TRUSTEE WEISBART: All right. Any
17 other questions?

18 What I'd like to do is go ahead and
19 conclude the meeting. There are documents that I
20 have not yet seen, some credit card statements and
21 the '24 tax return and the separate property
22 agreement.

23 Yeah. Just to confirm that you
24 have -- you'll provide me a copy of the separate
25 property agreement.

Exhibit 1

1 MR. PRONSKE: Yes.

2 TRUSTEE WEISBART: Okay. And then --

3 so I'm going to conclude the meeting, but I'm

4 going to reserve the right to recall the meeting

5 if that's the right word or reset the meeting if

6 there are questions that I have that I can't get

7 answers to, and I don't anticipate that -- don't

8 get me wrong -- related to these documents that we

9 have not seen. Fair enough?

10 MR. PRONSKE: Yes.

11 MR. DOWDALL: Thank you.

12 TRUSTEE WEISBART: Anything else from

13 anybody?

14 All right. Good. Meeting is

15 concluded then. Thank you.

16 MS. LIPP: Thank you.

17 (End of digital recording)

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1 THE STATE OF TEXAS)

2 COUNTY OF HARRIS)

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4 I, Diana Ramos, Certified Shorthand
5 Reporter in and for the State of Texas, do hereby
6 certify that the above and foregoing is a correct
7 transcription from the audio recording provided to
8 me in the above-entitled matter, taken down by me
9 in machine shorthand and later reduced to
10 typewritten form to the best of my ability.

11 Certified to by me this 30th day of
12 April, 2025.

13

14

Diana Ramos

15

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